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GOVERNMENT OF KERALA
Finance Department
NOTIFICATION

No. 52228/SS/77/Fin. *Trivandrum, dated 3rd August, 1977.*

6 PER CENT KERALA STATE DEVELOPMENT LOAN, 1987 ISSUED AT Rs. 99·50 PER CENT AND REDEEMABLE AT PAR ON 23rd AUGUST, 1987.

1. *Object.*—The proceeds of the loan will be utilised for financing the schemes under the State's Fifth Five-Year Plan.

2. *Security for Loan.*—In accordance with Article 293 (1) of the Constitution of India, the loan will be secured on the Consolidated Fund of the Government of Kerala.

The consent of the Central Government has been obtained to the floatation of this loan as required by Article 293 (3) of the Constitution of India.

3. *Description.*—The loan will be briefly described as the 6 per cent Kerala State Development Loan, 1987.

4. *Amount of Issue.*—The amount of the loan will be Rs. 11·75 crores.

5. *Issue Price.*—The issue price will be Rs. 99.50 for every Rs. 100 of the loan applied for.

6. *Subscriptions.*—Subscriptions may be in the form of cash / cheque or securities of 5½% Kerala State Development Loan, 1977. Subscriptions will be received from 23rd August 1977 to 25th August 1977 both days inclusive. The loan will be closed without notice as soon as it appears that the total subscriptions amount approximately to Rs. 11·75 crores, and in any case not later than the close of business on 25th August 1977. The Government reserve the right to retain subscriptions received upto 10 per cent in excess of the sum of Rs. 11·75 crores.

7. *Partial allotment.*—If the total subscriptions exceed the sum of Rs. 12·925 crores, partial allotment will be made to the subscribers in cash. If partial allotment is made, a proportionate refund will be made as soon as possible after allotment. No interest will be paid on the amounts so refunded.

8. *Date of repayment.*—The loan will have a currency of 10 years from the 23rd August 1977 and will be repaid at par on the 23rd August 1987.

9. *Interest.*—The loan will bear interest at the rate of 6 per cent per annum from 23rd August 1977. Interest will be payable half-yearly on the 23rd February and 23rd August and will be subject to tax under the Income Tax Act, 1961.

Refunds of tax deducted, if any, at the time of payment (at rates prescribed by the annual Finance Acts) will be obtainable by holders of the loan, who are not liable to tax or who are liable to tax at a rate lower than the rate at which tax was deducted. A holder who is not liable to tax or who is liable to tax at a rate lower than the prescribed rate can obtain, on application, a certificate from the Income-tax Officer of the district authorising payment of interest to him without deduction of tax or with deduction of tax at such lower rate as may be applicable to the holder.

Interest on Government securities along with income in the form of interest or dividends on other approved investments will be exempt from income-tax subject to a limit of Rs. 3,000 per annum and subject to the other provisions of Section 80L of the Income-tax Act, 1961.

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10. The value of investments in the loan now issued together with the value of other previous investments in Government securities and the other investments specified in Section 5 of the Wealth Tax Act, 1957 will also be exempt from the Wealth Tax upto Rs. 1,50,000.

11. *Place of Payment of Interest.*—Interest will be paid at any treasury or sub-treasury in the State of Kerala and at the Reserve Bank of India, Public Debt Offices at Ahmedabad, Bangalore, Bombay, Calcutta, Hyderabad, Jaipur, Kanpur, Madras, Nagpur, New Delhi and Patna.

12. *Conversion terms.*—(i) The securities of the 5¾% Kerala State Development Loan, 1977 will be accepted at par in payment of subscription to the 6% Kerala State Development Loan, 1987. If the cash value of the securities tendered is not an exact multiple of the issue price per cent of the 6 per cent Kerala State Development Loan, 1987 the tenderers will receive in cash at the time of the issue of the new securities the amount by which the value of the securities tendered exceeds the nearest lower multiple of the issue price. (ii) Interest on the securities of 5¾% Kerala State Development Loan, 1977 will be paid at rate of 5¾% per annum up to and inclusive of 22nd August, 1977 at the time of issue of the new securities.

13. *Form of Securities.*—The loan will be issued in the form of—

(1) Stock, the applicants for which will be given Stock Certificates, or

(2) Promissory Notes.

If no preference is stated by the applicants, the securities will be issued in the form of Promissory Notes which are transferable by endorsement.

14. *Applications for loan.*—(1) Applications for the loan must be for Rs. 100 or multiples thereof.

(2) Applications will be received at—

(a) the offices of the Reserve Bank of India, Ahmedabad, Bangalore, Bombay, (Fort and Byculla), Calcutta, Hyderabad, Kanpur, Madras, Nagpur, New Delhi and Patna;

(b) the branch of the State Bank of Bikaner and Jaipur at Jaipur;

(c) the branches of the State Bank of Travancore conducting Government of Kerala treasury work within the State of Kerala;

(d) the branches of the State Bank of India within the State of Kerala at places not covered by item (c).

(3) Applications may be made in the form attached hereto [printed copies of which are available at the places mentioned in sub-paragraph (2) above] or in any other form which states clearly the amount and description of the securities required, the full name and address of the applicant and the Public Debt Office or treasury or sub-treasury at which he desires that interest shall be paid.

15. *Method of paying subscriptions.*—Applications should be accompanied by the necessary payment in cash or by cheque or securities of 5¾% Kerala State Development Loan, 1977 for the amount of the loan applied for. Cheques tendered at offices of the Reserve Bank of India, the State Bank of Bikaner and Jaipur, State Bank of India and the State Bank of Travancore should be drawn in favour of the Bank concerned. When a cheque is tendered in payment of the application money, the security will not be issued until the amount of the cheque has been realised.

16. *Brokerage.*—Brokerage will be paid at the rate of 6 paise per Rs. 100 (nominal) to recognised banks and brokers on allotments made in respect of applications for the loan tendered by them and bearing their stamp.

The claim for payment of brokerage should be preferred at the paying office within six months from the date of floatation of the loan.

17. *Public Debt Office.*—The State Public Debt Office will be located at the Reserve Bank of India Madras.

By order and in the name of the Governor of Kerala,

K. V. Rabindran Nair,
Special Secretary to the Government of Kerala,
Finance Department.

GOVERNMENT OF KERALA

FINANCE DEPARTMENT

Press Communique

Dated, Trivandrum, 3rd August, 1977,

6 PER CENT KERALA STATE DEVELOPMENT LOAN, 1987

Subscriptions for the 6 per cent Kerala State Development Loan, 1987 will be received from the 23rd August 1977 at

(a) the offices of the Reserve Bank of India, Ahmedabad, Bangalore, Bombay (Fort and Byculla), Calcutta, Hyderabad, Kanpur, Madras, Nagpur, New Delhi and Patna,

(b) the branch of the State Bank of Bikaner and Jaipur at Jaipur,

(c) the branches of the State Bank of Travancore conducting Government treasury work in the State of Kerala,

(d) the branches of the State Bank of India within the State of Kerala at places not covered by item (c).

Details of the terms and conditions of the loan are contained in the Finance Department Notification No. 52228/SS/77/Fin. dated 3rd August 1977 published in the Kerala Government Gazette (Extraordinary), of that date. The proceeds of the loan are intended to be utilized for financing the development schemes under the State's Fifth Five-Year Plan. A brief resume of the financial position of the State is given below;

Note.—The figures given in the resume are provisional since the allocation of the liabilities and assets between Kerala and Tamil Nadu consequent on the re-organisation of States has not been finalised.

LIABILITIES AND ASSETS

2. The total public debt of Kerala as on 31st March, 1977 was Rs. 557.85 crores of which Rs. 431.50 crores represented loans received from the Government of India and Rs. 84.02 crores represented open market loans raised for financing the expenditure on irrigation, electricity and other schemes and also for re-lending to local bodies, agriculturists, industrialists, etc.

3. The other interest-bearing liabilities of the State as on 31st March 1977 amounted to Rs. 102.57 crores as shown below:

	Rs. crores
(i) Savings Bank Deposits	31.72
(ii) Provident Fund Deposits	63.29
(iii) Depreciation Reserve Fund of Commercial Departments and concerns	0.66
(iv) State Insurance Funds	6.90
Total	102.57

4. The total interest-bearing liabilities thus amounted to Rs. 660.42 crores at the close of 1976-77. The total interest charges according to the budget estimates for 1977-78 are Rs. 34.97 crores against which Rs. 15·90 crores is realizable by way of interest on capital invested in commercial undertakings, loans advanced and other investments made by the Government. There are also some liabilities on account of various deposits received by the Government from local funds and the public, from time to time.

5. Against the above mentioned liabilities, the Government own capital and remunerative assets and other investments worth Rs. 712.74 crores on 31st March, 1977 as indicated below:

		Rs. crores
(i)	Irrigation, etc. schemes	140.20
(ii)	Schemes on improvement of public health	42.18
(iii)	Loans and advances by the State	284.66
(iv)	Investments in commercial undertakings and shares of commercial concerns	62.53
(v)	Surplus investments in gilt-edged securities, bullion and debentures in banks	5.12
(vi)	Civil Works (Capital Outlay)	110.06
(vii)	Capital Outlay—other items	67.99
	Total	712.74

6. Besides, the Government also own valuable and extensive assets in the form of buildings, lands, communications, forests, etc., which go to reinforce the financial position of Government.

K. V. Rabindran Nair,
Special Secretary to Government.